ASSIGNMENT AND FIRST AMENDMENT TO CONTRACT BETWEEN THE CITY OF MILPITAS AND MODERN AIR SYSTEMS, INC.

The Contract entitled "Contract Between City of Milpitas and Modern Air Systems, Inc." (Contract), dated May 1, 2001, is hereby assigned to Pacific Air Solutions Corp.

1. Modern Air Systems, Inc., 719 Woodside Way, San Mateo, CA, consents to the assignment per letter dated January 15, 2003.

2. The City of Milpitas consents to the assignment

Approved as to form:

3. Pacific Air Solutions Corp., 3447 Investment Blvd., Suite 3, Hayward, CA, accepts the assignment.

4. Section 3, line 6 of the Contract is amended by substituting "of HVAC maintenance service." for "of the calendar printing."

5. The Contractor agrees to maintain and provide the City all required insurance policies, bonds and licenses as required in the document entitled Bi-monthly HVAC System Maintenance Bid No. 1030 in the name of Pacific Air Solutions Corp.

Except as amended by this Assignment and First Amendment to the Contract, this Contract shall remain in full force and effect. This Assignment and First Amendment is effective October 1, 2002.

IN WITNESS HEREOF, the parties have executed this change to the Contract.